

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2564 - SB 2734

March 14, 2012

SUMMARY OF BILL: Prohibits the presumption that a deed registered for 20 years or more has been properly acknowledged or proven if the property described in the deed is registered in response to a mistaken assessment by the assessor of property. A person whose property deed is properly recorded prior to the mistaken assessment shall have 30 more days to pay taxes owed on the property to maintain ownership. If the property was mistakenly assessed prior to July 1, 2012, the owner will have until August 1, 2012, to pay all taxes owed. The trustee shall reimburse the property owner whose land was mistakenly assessed for taxes paid on the property as a result of the assessment, within 30 days of the tax payment.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Due to multiple unknown factors, a precise fiscal impact for this bill cannot be determined. However, based on information provided by the Comptroller of the Treasury and the Tennessee Association of Assessing Officers, the net fiscal impact to local government is estimated to be a decrease in property tax revenue of an unknown amount.

Assumptions:

- Pursuant to Tenn. Code Ann. § 66-26-106, a deed that has been registered 20 or more years is presumed to have been properly acknowledged or proven.
- All property assessed by the county assessor is currently presumed to be correct.
- The provisions of this bill may remove the presumption of correctness from the assessment of property conducted by the county assessor.
- The bill states that the county trustee shall reimburse the property owner for taxes paid on the property as a result of a mistaken assessment.
- It is unknown how many assessments will be classified as “mistaken” which will require a reimbursement from the county trustee, or how much of a reimbursement from the assessment will be required; however, any reimbursement of funds will result in a decrease in local government revenue.
- The provisions of the bill also allow an extra 30 days in the payment of property taxes.
- This extension will add delay in the collection and processing of property tax revenue, as well as delay the collection of delinquent property tax collections.

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- Due to multiple unknown factors, a precise determination of the fiscal impact for this bill cannot be determined; however, based on information provided by the Comptroller of the Treasury and the Tennessee Association of Assessing Officers, it is reasonably estimated that the net fiscal impact to local government will be a decrease in local revenue of an unknown amount.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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